

ASX ANNOUNCEMENT

27 February 2026

Half Year (1H FY26) Results

Highlights

- Debt written down by \$55.7 million as NAB exits its \$70 million position for \$15.3 million settlement
 - B2B sales up 26% on prior half to \$2 million as Cann supports major B2B customer's overseas expansion
 - EBITDA (normalised)¹ loss continues to improve – reducing by 42% to \$2.4 million (vs PCP)
 - Revenue of \$4.5 million marginally down (7%) on prior half, momentum gaining in Q3 underpinned by B2B sales orders as Cann supports major customer's export strategy
 - Operating expenses continue to track downwards - 33% & 24% reduction on PCP & prior half respectively, to \$7.0 million
 - Operating cash outflows virtually breakeven (-\$11k), significant improvement over PCP of -\$4.5 million
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27 February 2026 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) today released its financial results for the half year (six-month period) ending 31 December 2025. The prior corresponding period (PCP) is the six-month period ending 31 December 2024, and the prior half is the six-month period ending 30 June 2025.

“The first half of the year has marked a truly transformational period for Cann. We successfully executed a major restructuring of the Company's debt position, reducing total debt from \$70 million to \$14.8 million by half year, a significant milestone that strengthens our balance sheet and provides a solid platform for future growth.

Operationally, we are now consistently delivering high-quality, competitively priced flower to our B2B customers. As a result, Cann is increasingly becoming a preferred supplier in the market, reflecting the strength of our product offering, reliability, and customer partnerships. Importantly, with purchase orders already secured, we are well positioned to drive strong revenue growth in the second half of the year.

¹ Earnings Before Interest, Tax, Depreciation & Amortisation, and excluding gains on debt forgiveness and impairment charges on property, plant & equipment.

Supported by a disciplined, well-controlled, and predictable cost base, the business is operating with greater efficiency and focus than ever before. Taken together, these achievements position Cann to achieve EBITDA breakeven in the second half of the financial year and build meaningful momentum into the periods ahead.”

~ Jenni Pilcher, CEO and Managing Director.

1H26 Financial Performance

Sales

Sales revenue for the half-year decreased by \$0.31 million (7%) compared to the prior half to \$4.52 million. The medicinal cannabis market experienced a period of subdued prescriber activity in the second quarter as TGA review processes temporarily affected the prescribing environment and patient access pathways. This created softer-than-expected demand conditions across the market during that period. While the capital restructuring undertaken by the Company in the same quarter also created a period of uncertainty regarding Cann’s ongoing operating capacity, the completion of the refinancing in December 2025 has demonstrably renewed customer confidence. The Company has since seen a material uplift in customer engagement and purchase order activity, with B2B orders already secured for Q3 providing strong forward revenue visibility.

Following the successful re-launch of B2B flower sales in the prior half, Cann has continued to build strong commercial momentum across its wholesale channel. B2B flower sales increased 25% to \$2 million for the period and now represent 44% of total revenue, a clear demonstration of growing customer demand and Cann’s strengthening position as a reliable, high-quality supplier.

This growth reflects not only improved pricing competitiveness and product consistency, but also deeper alignment with key customers’ forward supply requirements. Importantly, Cann’s product is supporting the export strategies of several major customers who are expanding their presence in international medical cannabis markets. As these customers pursue growth in established and emerging offshore jurisdictions, Cann is playing an integral role in providing scalable, high-quality Australian-grown flower to underpin their export programs. Cann has already secured purchase orders in Q3, underpinning further growth in the second half of the year.

Cann’s own-brand/own-grown “Botanitech” dried flower range accounts for 40% of revenue and experienced a marginal decline (4%) compared to the prior half. This decline occurred in the second quarter, which coincidentally was the same quarter the Company was focussed on its refinance. Cann is in the process of launching its new “Mallee Bloom” range this quarter, which will provide patients with an affordable, high-end product range across various THC/CBD combinations.

Botanitech oil sales continue to decline as expected, down 18% on the prior half, and now represent only 8% of the Company’s revenue. This is a reflection of market trends more broadly as dried flower continues to dominate the medicinal cannabis market. In addition, revenue from Cann’s Botanitech curated range (externally sourced flower) was down 46% as the Company experienced an out-of-stock period due to supplier issues in the second quarter.

Expenditure

Operating expenditure continues to track downwards and is well controlled. This half, saw a 33% reduction in operating expenses (before depreciation and amortisation) to \$7.0 million (31 December 2024: \$10.5 million), and a 24% reduction on the prior half (when excluding inventory write down charges at 30 June 2025). The reductions are being realised across the board, but mostly in production costs, which has had a corresponding positive effect on gross margin.

EBITDA (normalised)²

EBITDA (on a normalised basis, before impairment and debt forgiveness) has improved by \$0.26 million or 42%, to a loss of \$2.4 million (31 December 2024: loss of \$4.1 million) as the Company tracks towards profitability.

Profit after tax

Profit after tax for the Group amounted to \$26.4 million (31 December 2024: loss of \$10.7 million) which includes a gain on debt forgiveness of \$55.7 million and an offsetting impairment charge on property, plant and equipment of \$19.0 million. Both items occurred as a result of the debt refinance that completed in December 2025.

Borrowings

As announced on 15 December 2025, the Company successfully completed a refinancing of its borrowings. Its primary lender (National Australia Bank) was paid \$15.3 million as full settlement of loans outstanding of \$70.0 million and consequently forgave \$55.7 million of debt. To fund the settlement amount, the Company secured a new loan of \$9 million from its existing secondary lender and raised \$9 million (before costs) by way of a two-tranche private placement and a share purchase plan. Following the refinancing, at 31 December 2025, the Company has a loan balance of \$14.78 million. At 31 December 2025, the Company was in technical breach of the minimum shareholder funds covenant under the facility. This breach arose following an impairment assessment which was recently finalised, that resulted in an impairment charge of \$19.0 million against property, plant and equipment being recorded in the half year report. The lender provided a formal waiver on 26 February 2026, however due to the fact this breach occurred as at reporting date, and despite the waiver, the loan has been reported as a current liability in accordance with accounting standards.

Authorised for release by the Board of Directors of Cann Group Limited.

² Earnings Before Interest, Tax, Depreciation & Amortisation, and excluding impairment charges on property, plant & equipment, and gains on debt forgiveness.

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About Cann Group

Cann Group Limited (ABN 25 603 949 739) is enhancing patients' lives by developing, producing, and supplying innovative cannabis medicines. The Company has research facilities and corporate headquarters in Melbourne and operates a state-of-the-art large-scale cultivation and GMP manufacturing facility near Mildura, Victoria. Cann Group supplies a range of dried flower and oil products, as well as active pharmaceutical ingredients and extracts, to customers in Australia and around the world. Cann Group also owns Satipharm and its patent-protected capsule technology.

Learn more at: www.canngrouponlimited.com | www.satipharm.com